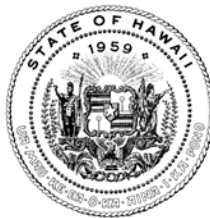


DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
CARTY S. CHANG
Interim Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, April 2, 2015
2:00 PM
State Capitol, Conference Room 308**

**In consideration of
SENATE BILL 504, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO HISTORIC PRESERVATION**

Senate Bill 504, Senate Draft 2, House Draft 1 proposes to address historic residences and appropriate unspecified funds for Fiscal Years 2015-2016 and 2016-2017 to conduct an architectural inventory effort. **The Department of Land and Natural Resources (Department) strongly supports this measure provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget request.**

- The overwhelming majority of structures in Hawai'i have never been inventoried and evaluated to determine whether or not they are eligible for inclusion in the Hawai'i Register of Historic Places.
- SECTION 3 would require the Department to initiate a phased architectural inventory of Hawai'i's buildings. The Department believes that the survey is essential to protecting and managing Hawai'i's heritage, while at the same time providing the definitive solution to the issue of unnecessary residential permit reviews by the Department.
- The result of the survey will be a list of properties determined potentially eligible for the Hawaii register of historic places
- This list would be provided to the Counties, which would then only submit permits affecting private residences that are potentially eligible for the Hawaii Register of Historic Places to the Department for review. The Department estimates that this will reduce by approximately 90% the number of permits submitted to the Department for review.

CARTY S. CHANG
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DANIEL S. QUINN
INTERIM FIRST DEPUTY

W. ROY HARDY
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

HISTORIC HAWAII FOUNDATION

TO: Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair
Committee on Finance

FROM: Kiersten Faulkner, Executive Director
Historic Hawaii Foundation

Committee: Thursday, April 2, 2015
2:00 PM
Conference Room 308

RE: **SB 504 SD2, Relating to Historic Preservation**

On behalf of Historic Hawaii Foundation (HHF), I am writing **in support for SB 504 SD2**. The bill would appropriate funds to the State Historic Preservation Division to address issues surrounding historic residences, including but not limited to inventorying residential buildings that are fifty years old or older.

Previous legislative discussion on this subject matter raised concerns with the volume of aging properties and how the historic preservation review process is managed. There has also been discussion of the workload on the state and county agencies in processing the review and compliance actions.

As we are mindful of these concerns, Historic Hawai'i Foundation also notes that the overriding public policy should be to evaluate proposed changes to the law not only for efficient processing, but also in effectiveness in protecting historic properties.

Providing additional funding to the State Historic Preservation Division would provide resources to address the issues more comprehensively, through such measures as conducting architectural surveys to identify potential historic districts and single-family residences that may be eligible for listing on the Hawai'i register of historic places; to work with the county governments and local jurisdictions to address administrative processing (such as tracking and disposition of successive permits on properties previously determined not to be eligible for the historic register); and/or to determine a list of project types that will not adversely affect historic characteristics and so should not be subject to preservation review.

We look forward to continuing to work with the legislature and the department to address these concerns and issues. Thank you for the opportunity to comment.

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
House Committee on Finances

FROM: Sara L. Collins, Ph.D., President
Society for Hawaiian Archaeology
sara.l.collins.sha@gmail.com

HEARING: April 1, 2015, 11:00 AM, Conference Room 308

SUBJECT: Comments on SB 504, SD2, HD1 (Relating to Historic Preservation)

I am Dr. Sara Collins, President of the Society for Hawaiian Archaeology (SHA). We have over 150 members that include professional archaeologists and advocates of historic preservation in general. On behalf of SHA, I am providing comments on SB 504, SD2 (Relating to Historic Preservation).

In this most recent draft, SB 504 SD2, HD1 has the potential to provide the necessary funding to the State Historic Preservation Division (SHPD) for a proposed inventory of existing residential properties that may fall within the purview of Chapter 6E, Hawaii Revised Statutes. The subject bill does not specify the amount of funding nor does it indicate whether or not the proposed moneys are to come from existing funds or are in addition to SHPD's current allotments, as specified in HB 500, HD1. The current language is thus rather vague and open-ended.

If the Legislature does wish to mandate the architectural survey, notification process, and report proposed in SB 504, SD2, HD1, then we strongly recommend that additional funds be allotted for these purposes so that SHPD is not assigned a new set of priorities without the resources to accomplish this task while maintaining its ability to accomplish its other essential tasks required by existing state law. SHPD has greatly improved its turnaround time for the review of permits pertaining to private residences, reducing the average review time to less than a week. If the architectural survey, notification process, and report are passed into law without additional funding, it will be a case of robbing Peter to pay Paul since SHPD will have to divert significant resources to meet these new mandates.

Mahalo for considering our comments. Should you have any questions, please feel free to contact me at the above address.

LATE



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Finance
Thursday, April 2, 2015 at 2:00 P.M.
Conference Room 308, State Capitol**

RE: SENATE BILL 504 SD2 HD1 RELATING TO HISTORIC PRESERVATION

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) would like to provide **comments** regarding SB 504 SD2 HD1, which proposes to appropriate moneys to allow the state historic preservation division to address historic residences.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

The Chamber has been and continues to be concerned about the unnecessary automatic review of residences that are older than 50 years. We recognize that there are many unique residences that are older than 50 years, and the property owners of these structures have the opportunity to secure real property tax relief if they voluntarily place their homes on the register. However, there are also large subdivisions of tract homes around Oahu (i.e. Kaneohe, Hawaii Kai, Manoa, Halawa, Aiea, Pearl City, Waipahu, etc.) which were constructed in the 1960’s that are or will be older than 50 years old. Having to subject homeowners in these tract subdivision to a building permit review by SHPD simply because of the age of the dwelling, seems to be unnecessary and unreasonable.

The bill essentially instructs SHPD to do what they are statutorily required to do so we are puzzled as to why the legislation is necessary and why additional funds have to be appropriated to undertake this effort.

Thank you for the opportunity to express our views on this matter.



LATE

April 1, 2015

Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
House Committee on Finance

Comments, Proposed Amendments and Support of Intent of SB 504, SD2, HD1, RELATING TO HISTORIC PRESERVATION (Appropriates funds to address historic residences. Requires the state historic preservation division of the department of land and natural resources to conduct a survey on properties eligible for listing on the Hawaii register of historic places and to submit a report to the legislature.)

FIN Hearing: Wednesday, April 2, 2015, 2:00 p.m., in Conference Room 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF members recognize the cultural value in historic preservation. LURF members have preserved and maintained their historic and cultural properties, and have listed some of their properties, structures and sites on the Hawaii Register of Historic Places, based on their historic or cultural significance

LURF appreciates the opportunity to express its **SUPPORT of the intent of SB 504, SD2, HD1**. LURF also provides the **comments** below and respectfully recommends the following **AMENDMENTS**:

- (1) Insert language to **amend the definition of "historic property"** to provide that *"privately-owned residential structures fifty years or older shall only be considered historic properties for the purposes of this chapter if the residential structure is listed on the Hawaii Register of Historic Places, is nominated for listing on the Hawaii Register of Historic Places, or is located in a Historic District."* This would include non-historic single-family residences as well as non-historic residential duplexes, apartment buildings and other multi-family residential structures that are over fifty years old;
- (2) Insert language to **clarify that residential structures which are not included or eligible for listing on the Hawaii Register of Historic Places shall not be subject to review under section 6E-42, Hawaii Revised Statutes (HRS)**. This will make it clear that the counties shall not submit projects affecting non-historic residential structures to SHPD for review under section 6E-42, HRS;

- (3) Insert language to **require the SHPD to conduct a survey** *“to identify and inventory potential historic districts and residential structures fifty years or older that may be eligible for listing on the Hawaii Register of Historic Places and to notify the property owners of the possible eligibility of the property being listed on the Hawaii Register of Historic Places”*; and
- (4) Insert language to **require SHPD to notify the owner of residential structures identified by the study that may be eligible for inclusion on the Hawaii Register of Historic Places**;

SB 504, SD2, HD1. The purpose of this measure is to appropriate moneys to allow the State Historic Preservation Division of the Department of Land and Natural Resources (DLNR) to address historic residences. This bill provides as follows:

- An appropriation of an unspecified sum out of the general revenues of the State of Hawaii, as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to be deposited into the Hawaii Historic Preservation Special Fund;
- An appropriation of an unspecified sum out of the Hawaii Historic Preservation Special Fund for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 to address the issues surrounding historic residences, including but not limited to inventorying of residential structures that are fifty years old or older;
- The sums appropriated shall be expended by the DLNR for the purposes of this measure; and
- The effective date if this measure is July 1, 2050.

Background. Under the existing law, "historic property" is defined as *"any building, structure, object, district, area, or site...which is over fifty years old."* As a result of this current broad definition that assumes age is equivalent to historic importance, there have been many private tract homes and other non-historic residences built in the 1960's and before, that must undergo an unnecessary and time consuming SHPD review prior to the granting of State and county permits for proposed renovations, repairs and demolition (including driveways and landscaping).

The 1950's and 1960's in Hawaii was a period of major housing growth and tract housing construction, when thousands of private residences were built.

LURF understands that the broadness of the *"fifty year old"* definition has led to a large number of backlogged SHPD regulatory reviews and excessive delays in some of those reviews. Concerns have been raised by the counties, the owners of private residences and the construction industry due to the fact that the current *"fifty year old rule,"* in certain instances, has delayed the granting of building permits for the increasing numbers of private residences which are fifty years old.

In its prior testimony regarding SB 504, the Department of Land and Natural Resources (DLNR) confirmed that based on the application of the *“fifty year old rule,”* in 2014, SHPD has reviewed over 3,700 permit applications for residences in a timely fashion; however, most of those residences would not qualify for inclusion in the Hawaii Register of Historic Places and many of the permits reviewed were for activities that would not affect the historic or cultural qualities of any home which would qualify it for the Hawaii Register of Historic Places. DLNR recognized that many of those required SHPD reviews of permit applications are simply unnecessary and burden the homeowner, the counties, SHPD and DLNR.

The DLNR has also confirmed that the SHPD staff time spent on the arguably unnecessary reviews of “fifty year old” tract homes and other non-historic homes prevents the SHPD from focusing on residences and other structures that are worthy to be placed on the Hawaii Register.

In addition, DLNR supported the above-referenced proposed amended definition of “historic property,” in Section 6E-2, HRS, because it was clear and entirely consistent with nationally recognized standards. DLNR further stated that the amended definition *“is a critical first step in resolving unnecessary reviews while at the same time protecting Hawaii’s unique cultural and historic heritage.”*

In its testimony, DLNR also stated that it *“believes that regards the survey is a definitive solution to unnecessary reviews, while at the same time protecting Hawaii’s heritage.”*

LURF’s Position. LURF and its members recognize the value of preserving and maintaining historic and cultural property within the State and have taken affirmative action to list some of their properties, buildings, structures, objects, districts, areas, or sites on the Hawaii Register of Historic Places, based on their significance relating to Hawaii’s history, architecture, archeology, engineering, or culture.

LURF and its members also support the work of SHPD and agree that preserving historic properties and structures preserves the character of neighborhoods and commercial districts; could also provide financial incentives, including, but not limited to, reduced country real property tax assessments and federal tax credits for commercial properties; and could be an economic driver both in the historic districts and throughout the Hawaiian Islands.

Under the circumstances, LURF respectfully requests that this Committee **amend this measure to clarify the definition of “historic property”** in a manner that will focus reviews on residential structures and places that are historic, rather than just blindly using the current *“over fifty years old”* criteria. The amended definition provides the foundation for concentrating the SHPD’s review efforts on Hawaii’s truly historic resources. LURF also **supports the funding of the proposed SHPD inventory survey** will also serve as a basis for the appropriate classification of residential properties listed or eligible for listing on the Hawaii Register of Historic Places; and will result in a more efficient review of building permit applications by the counties and SHPD.

For the above reasons, LURF **supports the intent of SB 504, SD2, HD1,** and respectfully urges your **favorable consideration of LURF’s proposed amendments** to this measure.

Thank you for the opportunity to present testimony regarding this measure.